



Welch & Company LLP
Lévesque Marchand, Chartered Accountants

May 1, 2007

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth St., SW, TW-A325
Washington, DC 20554

Dear Ms. Dortch:

Re: CC Docket No. 92-237
North American Numbering Plan Administration
Contribution Factor and Fund Size for July 2007 through June 2008

In accordance with 47 CFR § 52.16 (a), attached is the submission of the contribution factor and fund size for July 2007 through June 2008 as prepared by Welch & Company LLP as Billing & Collection Agent. The NANC has approved this submission.

In order to meet the NANPA's requirement to issue the billings to the carriers by June 12th, we ask that the FCC expedite the approval of the contribution factor.

In accordance with the Commission's rules, a copy of this report has been filed electronically in the above-referenced docket.

Yours very truly,

WELCH & COMPANY LLP

Faith Marcotte, CA
Partner

Attachments
(Service List and Quarterly Report)

CERTIFICATE OF SERVICE

I hereby certify that a copy of the forgoing filing was served this 1st day of May, 2007 by electronic delivery or by electronic mail, to the persons listed below.



Heather Bambrough

The following parties were served:

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* Filed via ECFS (Electronic Comment
Filing System PDF)

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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of:)	
)	
Administration of the North)	
American Numbering Plan)	CC Docket No. 92-237

**North American Numbering Plan Administration
Contribution Factor and Fund Size
For July 2007 through June 2008**

I. Background of the Plan

The North American Numbering Plan (NANP) is a numbering scheme for the public switched telecommunications networks (PSTN) within the United States, Canada and the participating Caribbean countries. The NANP Fund was established to cover the costs of the NANP which include the costs of the administrator for the numbering plan and central code administration and other administration costs of the Plan. NANP is funded by United States telecommunication service providers, and from Canada and Caribbean member countries.

II. NANP Billing & Collection Agent

On April 12, 2004 the Federal Communications Commission (FCC) announced that Welch & Company LLP would serve as the NANP Billing & Collection Agent (NANP B&C Agent) for a five year contract term effective October 1, 2004. According to Article 52.16 of Title 47 of the Code of Federal Regulations (CFR), the NANP Billing & Collection Agent is responsible for the collection of funds from United States telecommunication service providers and NANP member countries and for the disbursement of funds to support the numbering functions for telecommunication services. One function of the NANP B&C Agent is to determine the funds required for the operation of the Plan for each funding period and to propose a contribution factor for the United States domestic carriers.

III. Budget and Contribution Factor

Budget

The budget for the Plan for the upcoming year is set out in Exhibit 1. The total of the costs for the 2007/08 funding year is \$6,605,140, which includes a contingency allowance of \$1M. A detailed discussion as to the determination of the costs can be found under the heading “Anticipated Disbursements”. The International Members contribute \$84,871 towards these costs (see detailed discussion on this point under the heading “Contribution Factor Components – International Members”). The balance of the costs of \$6,520,269 can be funded either by a draw down of the accumulated surplus in the Fund or by an assessment funded by the domestic telecommunication carriers or by a combination thereof.

Contribution Factor for 2007/08

Welch & Company LLP supports the recommendation of the North American Numbering Council (NANC) made at their meeting of April 17, 2007 related to the method to assess the domestic telecommunication carriers for 2007/08. The first part of the recommendation is that the full amount of the anticipated surplus of \$1,990,084 (as at June 30, 2007) be used to offset the balance otherwise required to be collected from the domestic telecommunication carriers. This leaves a balance of \$4,530,185 to be recovered through the assessment. The second part of the recommendation is that a contribution factor of 0.0000193 be used for the 2007/08 funding year (July 2007 – June 2008) to cover this remaining balance. The contribution factor is determined by dividing the remaining balance to be funded by US carrier contribution by the total projected end-user revenues as reported on the Form 499A. The minimum funding requirement of \$25 per carrier will remain.

The proposed contribution factor is slightly less than last year (2006/07 – 0.000021).

Other options for the contribution factor were provided to the NANC for consideration. One option was to utilize the surplus to the extent that a contribution factor of 0.000021 (same as 2006/07) was achieved. Another option was to utilize a portion of the surplus to cover the costs for the upcoming year to the extent that a contribution factor of 0.000020 was attained. NANC decided, however, that to build up a surplus again was not in the best interest of NANP. It would result in an accumulation of surplus which would have to be addressed in future years by a low contribution factor similar to 2005/06. NANC felt it was easier to maintain a constant contribution factor by always using any surplus to offset budget requirements.

IV. Contribution Factor Components

Domestic Telecommunication Service Providers

The domestic carriers are required to fund the numbering administration costs (in excess of funding received from the International members), the CO code administration, the thousand-block pooling administration, pANI administration, carrier audits and the costs of administering the Plan itself. As per 47 CFR § 52.17 all domestic telecommunications carriers are required to fund NANP on a competitively neutral basis. The contribution base that is used to determine the carrier's contribution to the Plan is based only on billed end-user telecommunication revenues.

The revenue numbers used by the NANP B&C Agent to calculate the individual fees are obtained from the data collection agent, Universal Service Administrative Company (USAC). USAC collects the data from the Form 499A prepared by the telecommunication service providers and distributes the necessary information to NANP B&C Agent on a monthly basis to allow the B&C agent to perform its functions.

International Members

Canada and the Caribbean countries contribute to the funding of the numbering plan administration function, but not the central office (CO) code administration, as these countries perform their own CO code administration. The Canadian and Caribbean countries share of the numbering administration costs is based on the country's total population in relation to the total population of the United States, Canada and the participating Caribbean countries. This ratio is further reduced by the percentage of numbering plan administration work performed by the member country itself. Canada performs 25% of the numbering administration itself and the Caribbean countries perform 66.6% of the work themselves. The contribution required for the 2007/08 funding year by Canada and the Caribbean countries is \$70,922 and \$13,949 respectively.

V. Anticipated Disbursements

Numbering Administration and 1K Block Pooling

NeuStar, Inc. administers the numbering plan and central codes administration as well as the 1K Block Pooling. The cost of numbering administration is provided for in the budget as per the existing contract with NeuStar, Inc. The contract for the numbering administration is for a fixed price except for the travel component which provides for a cap to the maximum to be expended. The NANP administration contract is for 5 years commencing July 1, 2003 until June 30, 2008. Any additional work to be performed by NeuStar, Inc. for numbering administration is to be covered by the contingency allowance.

The 1K Block Pooling contract expired June 14, 2006. At the time that this budget was prepared, the FCC had not awarded a new contract for 1K Block Pooling. There was no information available that would indicate any significant change in the contract pricing. For budget purposes, the cost was based on the actual average expenditure for the past two years.

Other Plan Costs

At the time that this budget was prepared, the RFP for the 1K Block Pooling included pANI administration. For this budget, pANI Administration is shown separately. The cost has been provided for based on an outstanding change order for interim pANI administration.

The budget has allowed for 16 carrier audits to be performed by the FCC during the funding year at an average cost of \$43,750/audit.

The cost of the Billing & Collection Agent is provided for in the budget as set out in the contract. The fixed price contract is for 5 years commencing October 1, 2004 until September 30, 2009.

The cost of the Data Collection Agent has been provided for based on the USAC's estimate of NANP's share of the cost of the data collection. The Plan is charged 8% of the monthly cost that the Data Collection Agent incurs with respect to collection of data from the Form 499A.

The cost of the operational audit of the Plan has been included in the budget based on an estimate.

The costs have been reduced by the estimated interest income received on the excess funds that are invested and the late filing fees collected from carriers who file their Form 499A late.

A contingency allowance of \$1 million has been provided to cover unforeseen expenses such as bad debts, additional work to be performed by the NANP administrator, or for additional costs incurred due to new contracts .

NANPA FUND BUDGET AND CONTRIBUTION FACTOR
July 2007 to June 2008

Projected Disbursements

NANPA Administration

NANPA Administration (69% per NeuStar)	\$ 1,000,735
NANPA CO Code Administration (31% per NeuStar)	449,605
Total NANPA Administration	<u>1,450,340</u>

Less NANPA Administration costs funded by International Participants

Canada	70,922
Caribbean countries	13,949
Total Contributions by International Participants	<u>84,871</u>

Net total NANPA Administration Costs 1,365,469

1K Block Pooling Administration 3,200,000

pANI Administration 225,000

Carrier Audits 700,000

Billing & Collection Agent 238,800

Data Collection Agent 56,000

Annual Operations Audit 30,000

Interest income (180,000)

Fee for filing Form 499A late (115,000)

Total projected disbursements for July 2007 to June 2008 **5,520,269**

Desired contingency provision 1,000,000

Balance to be funded through reduction in surplus and US carrier contributions **6,520,269**

Portion of projected surplus to be used for 2007/08 year **(1,990,084)**

Net US Carrier Contribution requirement **\$ 4,530,185**

Contribution Factor **0.0000193**